



**STRONGER
FAIRER
GREENER**



Budget and Corporate Plan Economic Development – Investment & Development Portfolio

Economy & Culture Scrutiny Committee

Tuesday, 28th February 2023

Neil Hanratty, Director of Economic Development



**#GweithioDrosGaerdydd
#GweithioDrosochChi**

**#WorkingForCardiff
#WorkingForYou**

Context of Corporate Plan

Delivering Capital Ambition, the Council's Corporate Plan, sets out how the Administration's priorities for Cardiff will be achieved, providing clarity on what will be delivered, and by when.

In accordance with the requirements of the Well-being of Future Generations (Wales) Act, Delivering Capital Ambition sets out Cardiff's Well-being Objectives, the steps it will take to achieve them and how we measure progress.

The Investment & Development portfolio priorities are included under Corporate Plan Well-being Objective

5 - A capital city that works for Wales.

Corporate Plan Steps

Steps: what the Council will do, and by when, to help achieve each Well-being Objective

Corporate Steps have developed under 'themes' for each Member, we will consider:

- **Leading the economic recovery in Wales**
- **Leading a recovery programme in Cardiff**
- **Supporting the recovery of the cultural sector and major events programme**

Councillor Russell Goodway – Cabinet Member for Investment & Development

Corporate Plan Steps

Theme: Leading the economic recovery in Wales

(S5.02) Work with the UK Government and Welsh Government to implement a programme of investments to deliver investment and capacity improvements to support the delivery of the Council's Transport White Paper.

Corporate Plan Steps

Theme: Leading a recovery programme in Cardiff

(S5.04) Enhance the city centre as a location for businesses and investment and reassert its role as a regional employment centre by working with partners to:

- Progress the development of Metro Central;
- Progress the Central Quay development, extending the business district south of the station;
- Support the development of new commercial premises;
- Implement the City Centre Recovery Action Plan;
- Establish new city centre management arrangements;
- Work with landowners to attract investment and development in the retail, commercial and hospitality sector;
- Deliver the Canal Quarter.

Corporate Plan **Steps**

Theme: Leading a recovery programme in Cardiff

(S5.05) Write the next chapter in Cardiff Bay's regeneration story by:

- Bringing forward a business case for the Red Dragon Centre as part of the Atlantic Wharf redevelopment;
- Working with partners to develop the Graving Docks area;
- Delivering the new Multi-Purpose Indoor Arena by 2025/26;
- Working with partners to establish a new Metro route linking Cardiff Central to the Bay, and bring forward new stations to connect communities and regeneration opportunities;
- Progressing a development strategy for the next phase of the International Sports Village;
- Bringing forward proposals to protect and revitalise historic buildings in the Bay.

Corporate Plan Steps

Theme: Leading a recovery programme in Cardiff

(S5.06) Develop a sustainable city-wide economy by:

- Supporting the completion of Cardiff Parkway as part of our Industrial Strategy for the East of the city;
- Working with Media.Cymru to support the growth of creative enterprises in the city;
- Working with partners to attract investment into innovation and start-up space across the city and support the sector;
- Establishing a '15-minute city toolkit' to accelerate district centre regeneration, including housing- and transport-led improvements.

Corporate Plan Steps

Theme: Leading a recovery programme in Cardiff

(S5.08) Work with partners to support the retail and hospitality sectors in successfully re-emerging from lockdown by:

- Continuing to work with partners to deliver the Cardiff City Centre Recovery Action Plan including transforming transport infrastructure, establishing the city centre at the hub of a sustainable public transport mass transit, active travel and highway network including a renewed Metro Central Station;
- Enhancing the promotion of Cardiff as a visitor destination by supporting investment in visitor infrastructure;
- Working with Welsh Government to establish a tax and regulatory environment that can accelerate recovery;
- Progress proposals for investment in Cardiff Market.

Leading a recovery programme in Cardiff: Key Performance Indicator

The operational performance **indicators** below are monitored to gauge if the Steps the Council are taking are being achieved

Ref	Key Performance Indicators	2019/20 Result	2020/21 Result	2021/22 Result	2022/23 Target	2023/24 Target
K5.01	The amount of 'Grade A' office space committed to in Cardiff (This is a rolling three-year target.)	361,000	0	235,719	300000 Annual Result	300,000 sq. ft.
K5.02	The number of new jobs created and safeguarded where the Council has played an active role	2,254	1,845	2,102	1000 Q3 Result: 1,174	750
K5.03	City centre footfall	43,448,308	15,912,899	40,490,196	Monitor, no target set Q3 Result: 33,323,435	Base target on 2022/23 outturn

Supporting the recovery of the cultural sector and major events programme: Key Performance Indicator

The operational performance **indicators** below are monitored to gauge if the Steps the Council are taking are being achieved

Ref	Key Performance Indicators	2019/20 Result	2020/21 Result	2021/22 Result	2022/23 Target	2023/24 Target
K5.04	The number of staying visitors	2,190,000	640,000	980,000	Monitor KPI, no target set Annual Result	Base target on 2022/23 outturn
K5.05	Total visitor numbers	21,490,000	8,260,000	9,860,000	Monitor KPI, no target set Annual Result	Base target on 2022/23 outturn
K5.06	Total (<i>staying</i>) visitor days	4,800,000	1,510,000	2,270,000	Monitor KPI, no target set Annual Result	Base target on 2022/23 outturn
New	Total visitor spend	N/A	N/A	N/A	N/A	Base target on 2022/23 outturn

Budget Proposals

Efficiency Savings £451

ECDE2 - Increase In Workshop Income by £30k. Past performance indicates that current occupation of the workshops yields income greater than the current target.

ECDE3 - Increase in City Centre Management Income by £30k. The team's capacity for work has increased creating greater opportunities to generate income.

ECDE4 - Delete post in Economic Development saving £40k. Deletion of a Grade 6 support post within Economic Development.

Budget Proposals

Efficiency Savings £451 (continued)

ECDE7 - Cardiff Market Service Recharge of £10k. Cardiff Market service recharge - additional market manager's staff cost (increase from 1 day to 2.5 days). Average increase is £158 per stall holder, a 3.6% increase in current charge.

ECDE14 - Grant Maximisation of £222k. Utilise external grant funding to support services within Investment & Development.

ECDE18 - Business, Investment & Tourism saving of £119k – Reduction of Service to Make it Cost Neutral to the Council. Removal of 4 unfilled / vacant posts and increased use of grant funding.

Budget Proposals

Service Changes

Report Ref	Description	Service Change Savings 2023/24				Net Employee Implications (FTE)	Risk Analysis			Consultation
		Employees £000	External/ Other £000	Income £000	Total Proposed £000		Achievability	Residual	EIA	
ECDSC3	<p>Cardiff International White Water</p> <p>The proposal is to integrate the operation of the Cardiff International White Water centre into a wider arrangement for the operation of all leisure facilities on the ISV development. It is anticipated that this would occur by quarter 4 of 2023/24 and therefore the saving indicated is a part year in 2023/24, with the full year in 2024/25.</p>	214	241	(405)	50	(12.0)	Green	Green	Green	Public

Note: The budget consultation result showed that 77% supported the proposal to find a new partner to run the White Water Rafting Centre with 8% against.

Budget Proposals

Fees and Charges

Line 1 – Filming in the city: Current charge is £100.00 - £250.00. No proposed increase.

Line 2 – Workshop Rents: Subject to condition of lease. Rents reviewed on a commercial basis

Budget Proposals

Earmarked Reserves

	Reserve	Estimated balance at 31.03.23 £000	Estimated Movements		Estimated balance at 31.03.24 £000	Purpose /To fund:
			To finance budget £000	Other Commitments £000		
10	Cardiff Enterprise Zone	3,440	0	600	4,040	Cardiff Enterprise Zone in future years
11	Central Market Works	97	0	(97)	0	Works at Cardiff Central Market and as potential match funding for external grant bids
15	City Wide Management & Initiatives	2,426	0	(120)	2,306	City-wide management and initiatives including support for marketing and infrastructure
44	Major Projects	686	0	(300)	386	Major Projects
53	Red Dragon Centre	3,057	0	(300)	2,757	Premises funding requirements

Budget Proposals

Capital Programme

			<u>2023/24</u>	<u>Indicative</u>	<u>Indicative</u>	<u>Indicative</u>	<u>Indicative</u>	
		Purpose / To Fund	Including	2024/25	2025/26	2026/27	2027/28	Total
			Slippage					
			£000	£000	£000	£000	£000	£000
	Ongoing Schemes / Amendments to Ongoing Schemes							
49	Arena Enabling works contribution	council's contribution to enabling costs for arena affordability model as part of Atlantic Wharf master plan.	9,807	14,243	0	0	0	24,050
50	East Cardiff Industrial and Regeneration Strategy	contribution to a new bridge and road link between the Llanrumney estate and the A48.	0	1,200	300	0	0	1,500
51	Cardiff Indoor Market Restoration	investment in the fabric of the building to improve appearance, tackle known structural issues and enhance its commercial attractiveness, subject to a successful lottery fund grant award.	0	88	450	0	0	538

Budget Proposals

Capital Programme (continued)

			<u>2023/24</u>	<u>Indicative</u>	<u>Indicative</u>	<u>Indicative</u>	<u>Indicative</u>	
		<u>Purpose / To Fund</u>	<u>Including</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>Total</u>
			<u>Slippage</u>					
			<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Schemes funded by Grants and Contributions (Further grants subject to approval)								
62	Transforming Towns Placemaking (WG)	priorities identified in South Riverside, Cowbridge Road East, Adamsdown/Roath and as part of the City Centre Recovery Strategy.	435	580	0	0	0	1,015
79	Central Market (Lottery)	the restoration of the Market, subject to final costing and further stage approvals.	0	590	1,000	0	0	1,590

Budget Proposals

Capital Programme (continued)

			<u>2023/24</u>	<u>Indicative</u>	<u>Indicative</u>	<u>Indicative</u>	<u>Indicative</u>	
		<u>Purpose / To Fund</u>	<u>Including Slippage</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>Total</u>
			£000	£000	£000	£000	£000	£000
		Additional borrowing undertaken by the Council to be repaid from revenue savings/incidental income (Invest to Save - Subject to Business Case)						
		Existing Schemes						
91	Indoor Arena - Land Assembly and Multi Storey Car Park	affordability envelope towards costs such as enabling works and Multi Storey Car Park.	0	26,750	18,250	0	0	45,000
92	Indoor Arena - Direct Funding (Replacement for Income Strip Third Party Funding)	Direct borrowing funded by the annual lease income from the arena operator, backed by parent company guarantee.	8,000	50,000	60,000	20,100	0	138,100
93	International Sports Village (Phase 2)	delivery of a velodrome and clubhouse, a cycle circuit, Toys R Us refurbishment, car parking, highways and public space, repayable from potential operator and rental income, subject to a business case and a report to Cabinet.	1,565	5,000	5,570	0	0	12,135

Budget Proposals

Capital Programme (continued)

	Purpose / To Fund	<u>2023/24</u> <u>Including</u> <u>Slippage</u> <u>£000</u>	<u>Indicative</u> <u>2024/25</u> <u>£000</u>	<u>Indicative</u> <u>2025/26</u> <u>£000</u>	<u>Indicative</u> <u>2026/27</u> <u>£000</u>	<u>Indicative</u> <u>2027/28</u> <u>£000</u>	<u>Total</u> <u>£000</u>
95	Non Operational Property Strategy - Regeneration Fund a recyclable fund to support regeneration linked to existing Council non operational land ownerships outside of specific existing development areas to support wider City Recovery, subject to the development and approval by Cabinet of the governance, risk assessment and business case process. Links to existing budgets e.g. District and Local Centres, Town Centre Loans programme and to support specific WG grant funding bids. Land acquisition and disposal within a two year time frame to allow external partners to undertake regeneration and development activities.	0	1,500	1,500	0	0	3,000